

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

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| IN THE MATTER OF THE APPLICATION OF |) | ORDER FOR AND NOTICE |
| MONTANA-DAKOTA UTILITIES CO. FOR |) | OF PROCEDURAL |
| AUTHORITY TO INCREASE RATES FOR |) | SCHEDULE AND HEARING |
| NATURAL GAS SERVICE |) | NG04-004 |

On June 7, 2004, Montana-Dakota Utilities Co. (MDU), filed with the Public Utilities Commission (Commission) an application to increase natural gas rates in its Black Hills service territory. The application seeks an increase in rates in the approximate amount of \$1,281,417 or approximately 2.2%. On June 22, 2004, the Commission suspended the proposed schedule of rates for 90 days beyond June 7, 2004.

At its regularly scheduled meeting of June 22, 2004, the Commission found that pursuant to SDCL 49-1A-8, MDU shall be assessed a filing fee as requested by the executive director up to the statutory limit of \$100,000. The Commission further established an intervention deadline of July 9, 2004.

On July 15, 2004, Commission Staff advised the Commission that the suspension should have been for 90 days beyond July 7, 2004. On July 20, 2004, pursuant to SDCL 49-34A-14, the Commission suspended the operation of the schedule of rates proposed by MDU for 90 days beyond July 7, 2004. The Commission has jurisdiction in this matter pursuant to SDCL Chapters 1-26 and 49-34A, specifically 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-13.1, 49-34A-17, 49-34A-19, 49-34A-21.

The procedural schedule for testimony shall be as follows:

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| DATE | PROCEDURAL SCHEDULE |
| October 4, 2004 | Staff Prefiled Testimony Due |
| October 14, 2004 | MDU Rebuttal Testimony Due |
| October 19 and 20, 2004 | Hearing |
| November 8, 2004 | Initial Briefs Due |
| November 15, 2004 | Rebuttal Briefs Due |

A hearing shall be held beginning at 9:00 a.m., on Tuesday, October 19, 2004, and beginning at 8:30 a.m. on Wednesday, October 20, 2004, in Room 412, State Capitol, 500 East Capitol, Pierre, South Dakota. The hearing is open to the public. All persons testifying shall be subject to cross-examination.

The issue at the hearing is whether the Commission shall grant MDU's request to implement revised natural gas rate schedules designed to produce additional revenues of \$1,281,417.

The hearing shall be an adversary proceeding conducted pursuant to SDCL Chapter 1-26. All parties have the right to be present and to be represented by an attorney. These rights and other due process rights shall be forfeited if not exercised at the hearing. If you or your representative fail to appear at the time and place set for the hearing, the Final Decision will be based solely on the testimony and evidence provided, if any, during the hearing or a Final Decision may be issued by default pursuant to SDCL 1-26-20. After the hearing the Commission will consider all evidence and testimony that was presented at the hearing. The Commission will then enter Findings of Fact, Conclusions of Law, and a Final Decision regarding this matter. As a result of this hearing, the Commission shall determine whether it shall grant MDU's request to implement revised rate schedules. The Commission's Final Decision may be appealed by the parties to the state Circuit Court and the state Supreme Court as provided by law. It is therefore

ORDERED, that the procedural schedule set forth above shall be followed by all parties to these proceedings. It is further

ORDERED, that the hearing shall commence at 9:00 a.m., on Tuesday, October 19, 2004, in Room 412, State Capitol, 500 East Capitol, Pierre, South Dakota, and if necessary, shall continue through Wednesday, October 20, 2004.

Pursuant to the Americans with Disabilities Act, this hearing is being held in a physically accessible location. Please contact the Public Utilities Commission at 1-800-332-1782 at least 48 hours prior to the hearing if you have special needs so arrangements can be made to accommodate you.

Dated at Pierre, South Dakota, this 26th day of August, 2004.

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| <p align="center">CERTIFICATE OF SERVICE</p> <p>The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.</p> <p>By: _____</p> <p>Date: _____</p> <p align="center">(OFFICIAL SEAL)</p> |
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BY ORDER OF THE COMMISSION:

ROBERT K. SAHR, Chairman

GARY HANSON, Commissioner

JAMES A. BURG, Commissioner